



## HOUSING

AUTHORITY OF THE  
CITY OF SANTA BARBARA808 Laguna Street / Santa Barbara  
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January 31, 2011

**HAND DELIVERED**

Mr. Brian Bosse, Housing and Redevelopment Manager  
Housing & Redevelopment Division  
City of Santa Barbara  
630 Garden St.  
Santa Barbara, CA 93101

RE: REQUEST FOR CITY RDA FUNDS FOR THE ACQUISITION OF REAL  
PROPERTY LOCATED AT 1020 PLACIDO PLACE

Dear Brian,

As you know, the Housing Authority has been assisting the County's Alcohol, drug and Mental Health Services Department (ADMHS), the Casa Esperanza Homeless Center and the Council on Alcoholism and Drug Abuse (CADA) to locate a suitable replacement site for CADA's social model detox/transitional housing program for low income persons and the homeless. The program is currently housed at Casa Esperanza and has proven to be a poor location for this service. Also, the space is inadequate in terms of size, layout and proximity to surrounding uses. Moving it will also realize better property control for Casa Esperanza that the Milpas neighborhood seeks. CADA has requested the Housing Authority's participation as the landowner of the new facility due to our knowledge and abilities relative to residential real estate development and property management.

After viewing several possible locations, the Housing Authority and CADA have identified an available property deemed well located and appropriate for all involved parties. The property is located on Placido Place, a small street off of the 300 block of West Figueroa Street, between Castillo and Bath Streets. This is an owner occupied single family home of approximately 1,952 square feet with 3 large bedrooms, a ground floor den that can be converted to a bedroom, 4 full bathrooms, an attached two-car garage and additional onsite parking. Since it is owner occupied and listed for sale, there are no relocation issues or costs to the Housing Authority. Additionally, the site is located within the Central City Redevelopment Project Area, and the purchase would be a good use of Redevelopment Agency funds. To this end, we are seeking a capital grant from the Redevelopment Agency (RDA) to cover the full cost of this acquisition in the amount of \$865,000.

Given the fact that the property is well suited for the identified need, on January 19, 2011, the Housing Authority Commission adopted Resolution No. 2436 (copy enclosed). The Resolution authorizes Housing Authority staff to negotiate a purchase price less than the listing price of \$975,000 subject to securing an independent appraisal that substantiated the offer amount. The Housing Authority has since negotiated a purchase price of \$865,000 subject to an appraisal and to securing Redevelopment Agency funding. David Jasso & Associates was hired by the Housing Authority to provide an independent, fair market value appraisal of the subject property and we anticipate receipt of the appraisal within twelve days.

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The Housing Authority intends to lease the property at a nominal rate (\$1200/mo. has been proposed) to CADA for their operations. The enclosed proforma shows that, at best, the property will be operating at just above a break-even point assuming the master lease of \$1200 per month. Should the use change in the future, staff believes it would be a good addition to the Authority's Non-HUD rental inventory, most likely as a group home for special needs populations.

If the City/RDA staff finds this request to be reasonable and appropriate, we ask that it be placed before the City Council/RDA in the next 30 days for consideration. With our request moving forward at the City Council/RDA level, we would plan on close of escrow or before March 31, 2011.

As always, the Housing Authority Commission and staff are hopeful that you will agree with the wisdom of this acquisition, its planned use as well as the structure of our requested financing.

Sincerely,

HOUSING AUTHORITY OF THE  
CITY OF SANTA BARBARA

A handwritten signature in dark ink, appearing to read "Rob Pearson", with a long horizontal flourish extending to the right.

ROBERT G. PEARSON  
Executive Director/CEO

Encls.

cc: Housing Authority Commission